“Open budgets as the driving force of effective COVID-19 response and recovery: What can countries in Eastern and Southern Africa do better?”

23 September 2020
Opening Remarks

Bob Muchabaiwa
Public Finance Specialist
UNICEF ESARO
Webinar on Budget Transparency: 23 September 2020
Why is UNICEF involved in this agenda….?

*Because budget transparency matters for children!*

- Budget openness
- More and better spending on children

- Enables governments to mobilize more domestic and external resources to invest in social sectors
- Contributes to efficient and effective utilization of resources and reduces wastage and leakages
PFM realities during COVID-19 demands a focus on budget transparency…

✓ Continuous virements, reallocations and budget revisions
✓ Resource flows from many sources
✓ Creation of special funds
✓ Short circuiting of approval and procurement processes
✓ Limited public reporting of inflows, expenditures and debt
✓ Weak oversight by legislatures
✓ Limited public participation
✓ Allegations of abuse of COVID-19 resources
Global Fund announces end of cash grants for Kenya

Consequences of Kemsa scandal

South Africa’s COVID relief fund dogged by delays and corruption

It’s employers these payouts passing them employees, as to pay their d

Zimbabwe Covid-19 drugs scandal smears Mnangagwa

Corruption forces Botswana to fight COVID-19 “blindfolded”
Good news: Many opportunities to improve budget openness practices…

✓ Commitment of Ministries of Finance
✓ Ongoing efforts to strengthen PFM systems
✓ Increasing digitization of PFM processes due to COVID-19
✓ IFI support and emphasis on budget openness
✓ Global funds and debt relief initiatives
✓ Budget transparency improvement action plans
✓ UNICEF, IBP and other development partners’ support!
...This webinar is also an opportunity:

- For governments to celebrate progress and inspire each other!
- Discuss how to consolidate recent gains and achieve better Open Budget Index Scores despite COVID-19
Asante Sana!
Open Budgets and COVID-19 in Eastern and Southern Africa

23 September 2020
Budgets are central to responding to the COVID-19 emergency

Governments are responding to the virus and its economic fallout through fiscal policies and decisions.

Especially during a crisis, transparency, public engagement, and strong oversight are critical for earning public trust.
The state of budget transparency

Global average: 45

ESA average: 34
Positive signs in Eastern and Southern Africa
Documents drive change, but more is possible

- **17 out of 19**: ESA countries had at least one document change status
- **25%**: of documents changed status between OBS 2017 and 2019
- **4 out of 5**: positive changes came from existing documents
- **73%**: of not publicly available documents are still produced
Availability of budget information varies across the budget cycle

- Pre-Budget Statement: 47%
- Executive's Budget Proposal: 74%
- Enacted Budget: 89%
- In-Year Reports: 53%
- Mid-Year Review: 16%
- Year-End Report: 53%
- Audit Report: 58%

International Budget Partnership
Participation mechanisms are less common during budget execution

**Audit Investigations (SAI)**
- Opportunity for Participation: 1
- No Opportunity for Participation: 19

**Audit Program (SAI)**
- Opportunity for Participation: 1
- No Opportunity for Participation: 18

**Audit Report (Legislature)**
- Opportunity for Participation: 2
- No Opportunity for Participation: 17

**Formulation or Implementation (Line Ministries)**
- Opportunity for Participation: 5
- No Opportunity for Participation: 14

**Implementation (Executive)**
- Opportunity for Participation: 4
- No Opportunity for Participation: 15

**Approval (Legislature)**
- Opportunity for Participation: 11
- No Opportunity for Participation: 8

**Formulation (Executive)**
- Opportunity for Participation: 11
- No Opportunity for Participation: 8
Countries with adequate SAI oversight often lack legislative oversight

Few countries score at adequate levels of oversight from both legislative and audit institutions.

Gaps in oversight weakens the checks & balances in the overall accountability system.
Lessons from the OBS for COVID response & recovery

Disconnects between policies & budgets

- 58% of ESA countries fail to show how new policies translate into budget allocations
- 95% of ESA countries fail to provide complete information on extra-budgetary funds in their budgets
Lessons from the OBS for COVID response & recovery

Disconnects between policies & budgets

Nearly half of ESA countries do not release timely reports on budget execution, and 84% do not publish a timely Mid-Year Review

Weaker transparency & oversight of budget execution

Only 16% of legislatures in ESA publish reports on their findings about budget execution

A little more than one-third of Audit Reports are not made available, while 79% of countries do not audit all spending in extra-budgetary funds
Lessons from the OBS for COVID response & recovery

Disconnects between policies & budgets

Weaker transparency & oversight of budget execution

Missing information on debt & new liabilities

74% of ESA countries do not disclose total debt obligations and the composition of that debt in their EBPs

95% of ESA countries do not fully disclose contingent liabilities
Opportunities for Open Budgets during COVID

- International consensus on the need for transparency and oversight
- Expanded use of real-time budget portals to disclose Covid-related spending
- Link public engagement in civil society to government response
- Proactive auditing measures
Opportunities for Open Budgets during COVID - Public Participation

• Virtual budget cafés (Kenya) – Provide a collaborative online space for civil society stakeholders across the country to learn about, analyze, and generate proposals related to budget decisions.

• Asivikelane Initiative (South Africa) – Offers residents of informal settlements in major metro areas the opportunity to provide ongoing feedback on the status of sanitation services, which is then shared with relevant municipal and national government actors.
Looking towards OBS 2021

• The cutoff date for the next OBS research period is **31 December 2020**
• However, there remain ample opportunities for transparency improvements and meaningful reforms among ESA countries
Looking towards OBS 2021

• Within ESA, there are 31 budget documents not previously available to the public that have likely publication dates between now and 31 December 2020
  • In OBS 2019, 23 of these documents (across 14 countries) were published late, or were only available in hard copy or for internal use
• In addition, 37% of all budget documents that will be assessed in OBS 2021 have not yet been published
Rapid **progress** in opening budgets is **possible** but requires all stakeholders to unite around a common agenda.

We **call** on governments to work with all stakeholders and jointly **achieve four ambitious, but attainable, targets** within the next five years.
A call for action

Within five years, governments should:

- **Publish information** on how public resources are generated, allocated, and spent – in a timely manner that is accessible to all, as specified in the Open Budget Survey.

- **Create opportunities** for all people, particularly those from marginalized communities, to provide input into the budget process.

- **Strengthen monitoring and oversight** of budget execution through independent institutions.

- **Sustain improvements** achieved on open budgets, protecting them from political shifts.
Transparency, participation and oversight in Lesotho –
Our agenda for improving budget transparency

Presented by: Mrs. Maleshoane Lekomola-Danziger
Head of Budget Department, Lesotho
2019 OBS Results
From 0 in 2017 to 31 in 2019

Lesotho

Transparency: 31/100

Public Participation: 0/100

Budget Oversight: 31/100
How we improved: We made four key budget documents publicly available

### Public availability of budget documents in Lesotho

<table>
<thead>
<tr>
<th>Document</th>
<th>2017</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td><img src="Image" alt="Available to the Public" /></td>
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<tr>
<td>Executive’s Budget Proposal</td>
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<tr>
<td>Enacted Budget</td>
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<tr>
<td>Citizens Budget</td>
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<td><img src="Image" alt="Available to the Public" /></td>
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<tr>
<td>In-Year Reports</td>
<td><img src="Image" alt="Available to the Public" /></td>
<td><img src="Image" alt="Available to the Public" /></td>
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<tr>
<td>Mid-Year Review</td>
<td><img src="Image" alt="Published Late, or Not Published Online, or Produced for Internal Use Only" /></td>
<td><img src="Image" alt="Published Online, or Produced for Internal Use Only" /></td>
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<tr>
<td>Year-End Report</td>
<td><img src="Image" alt="Available to the Public" /></td>
<td><img src="Image" alt="Available to the Public" /></td>
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<tr>
<td>Audit Report</td>
<td><img src="Image" alt="Available to the Public" /></td>
<td><img src="Image" alt="Available to the Public" /></td>
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Road Toward Improved Results

1. Realistic action plan
2. Close interaction with CHAI to address technical issues
3. Full ownership of Government
Determine clearly the requirements (data, documents, timelines) of the OBS and actions to undertake

Prioritizes actions allowed for by PFMA Act and subsequent PFM laws and regulations

Defines exact dates for online publication of agreed deliverables
Addressing Technical Issues

1. Building strong work relationship with CHAI, the researcher based in Maseru

2. Brainstorming meetings/calls to explain the meaning of OBS terminologies and naming of required deliverables

3. Improving the knowledge base of the Budget Department and civil society organizations (CSO) on the impact of transparency and accountability on effective PFM:
   - transparency and accountability workshop (2018)
   - PF4C training for trainers (2018 and 2019)
### Full Ownership of Government

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Improved accountability in the Budget Department thanks to the leadership and regular monitoring of the Budget Controller</td>
</tr>
<tr>
<td>2</td>
<td>Appointment a focal point, assisted by an alternate focal point to ensure business continuity regarding OBS action plan</td>
</tr>
<tr>
<td>3</td>
<td>Regular monitoring of Ministry of Finance’s website to assure that uploaded budget documents are consistent with the OBS requirements</td>
</tr>
</tbody>
</table>
KEA LEOBAHA !
Budget Transparency in Rwanda

Jeanette Rwigamba
Director of Budget Management and Reporting, MINECOFIN
Budget Transparency Webinar
Outline

- Legal framework
- Rwanda rankings in OBS
- Major reforms in 2019 OBS
- Prospects for 2020/2021
Legal framework and tool for Scrutiny

✓ Organic N° 12/2013 of 12/09/2013 on State Finance and Property;

- Establishes fundamental principles of public finance management;

- States the responsibilities of the Minister of Finance on promoting and enforcing transparency and accountability in use of public funds including the publication of various reports.

✓ Budget transparency is an integral part of the National Strategy for Transformation (NST1).
Rwanda rankings in OBS

✓ 17 points increase in budget transparency

✓ 2 points improvement in Public participation

✓ 6 points improvement in Public participation
Major reforms undertaken improve the ranking in 2019

✓ MINECOFIN, through the National Budget Department developed an action plan which outlined areas to improve budget transparency:
  ▪ Timely dissemination of key budget documents on MINECOFIN website;
  ▪ Ensure proper naming of budget document following IBP guidelines;
  ▪ Self monitoring of budget transparency.

✓ MINECOFIN has strengthened its collaboration with civil society organizations

✓ MINECOFIN sent a delegate to Cape town – South Africa for OBS findings reviews where further information and clarification on preliminary results were provided.

✓ MINECOFIN has signed different partnership MoU with Development partners including (UNICEF), Save the Children and CLADHO.
✓ The Government of Rwanda through the Ministry of Finance is committed to continue undertaking necessary measures to increase budget transparency, participation and oversight with the aim of maximizing efficiency of public spending.

✓ The following efforts will continue to be at the forefront to improve budget transparency

- Ensure timely and quality dissemination of key budget documents;
- Strengthen linkages among budget actors (Citizens, The Parliament, Office of the Auditor General, CSOs and other Partners);
- Build the capacity of relevant institutions on Budget Transparency;
- Leverage on technology and innovation to strengthen budget transparency ex. Open Budget portal;
- Undertake Lesson learning from the best performers across the globe.
Thank you
How the Botswana Government Managed to Improve its 2019 OBS Score compared to 2017

BY: Martha Gunda –Pule: Development and Budget Division, Ministry of Finance and Economic Development.

23rd September, 2020
Outline

✓ Botswana context
✓ OBS Results, 2017 and 2019
✓ Actions Undertaken to Improve the 2019 OBS score as compared to 2017
✓ Transparency measures during the on-going COVID-19 pandemic
✓ Plans to improve the next OBS scores
✓ Conclusion
Botswana context: Mechanisms in place for budget transparency

✓ **Executive:** Ministry of Finance produces and publishes key documents through its website

✓ **Public participation:** The Budget *Pitso* (stakeholder consultations including members of the public)

✓ **Legislative oversight:** Budget Debates through a Committee of Supply (public); Approval of the Budget (public); Finance and Estimates Standing Committee – Supplementary Budgets; and Public Accounts Committee – examining of the government books of accent's as per the Year –End Report and Audit Report (public)

✓ **Financial oversight:** Office of the Auditor General
OBS Results, 2017 and 2019

- 8/8 key budget documents are produced
- 5/8 key budget documents were made available to the public as compared to 2 of the OBS 2017;
- 2/8 documents produced for internal usage;
- 1/8 document produced for public consumption but was not published.
Actions undertaken to improve the 2019 OBS Score compared to 2017

✓ Appreciation of the Methodology;
✓ Key stakeholder involvement through a Task Team;
✓ Appointment of focal persons per area of responsibility;
✓ Ensuring timely availability and publication of each of the key budget documents on the Ministry’s Website and Government Portal;
✓ Setting up of a target score;
✓ Reporting to the Ministry Executive Management on progress made throughout the period.
Transparency measures during the on-going Covid-19 pandemic

✓ Resource flows from many sources done through a COVID-19 Relief Fund - Government, the Private and the general public contributions;

✓ Structures in place to manage the Fund

✓ Guidelines were developed and published on the Ministry Website;

✓ Proceeds and usage of money contributed is published through the National Television and Radio;

✓ The Economic Recovery and Transformation Plan (ERTP) was developed and discussed in Parliament;

✓ Increased demands for emergency funding discussed in Parliament though supplementary budgets;

✓ Parliamentary sessions are aired on both the National Television and Radio.
Plans to improve the next OBS Score

✓ Ensure that all the 8 key budget documents are made available and published online;
✓ Need to publish in-year reports and the mid-year review without fail;
✓ Make the Audit Report available online for the public;
✓ Collaboration with Unicef in ensuring that all available and required information for the 2020/2021 fiscal year are made available to the public through the Ministry’s website;
✓ Improve the level of comprehensiveness on all the documents as per the IBP requirements and country specific recommendations (*already communicated to all key stakeholders*);
✓ Work closely with IBP in bridging the gap on the understanding of the Methodology
Conclusion

✓ Strategies in place to improve the OBS 2021 results across the three pillars
✓ Public interest continue to be prioritised, particularly the less privileged
✓ Targets set for achievement
✓ Continue to engage the Executive Management
Thank You

PULA
How are CSOs using budget info during the COVID-19 response and recovery.

➢ PSAM > southern Africa focused > contribute to addressing societal problems originating from systemic public resource management (PRM) failures > engaging country processes & multi-stakeholder groups > support accountability practitioners > to enable system strengthening, more open & effective govt.

➢ PSAM shares both its and others CSOs experiences & lessons engaging GOVTs. See www.copsam.com; Account for COVID & www.psam.org.za

➢ Below are a few examples from South Africa, Zimbabwe & Uganda, with some tools and approaches being used across countries in Africa.
PSAM has via a CSO coalition for open budgets called Imali Yethu, successfully engaged National Treasury of SA to more proactively release COVID related budget & procurement info: https://vulekamali.gov.za/covid-19-response/
PSAM’s budget analysis & OBS experience prompted meetings with Auditor-General of SA to inform a COVID Special Audit Report.

 Auditor-general says the multi-billion rand Covid-19 relief package landed in an environment with many control weaknesses

PRETORIA – Auditor-general (AG), Kimi Makwetu, today reported that the relief package redirected by government as a response to the Covid-19 pandemic, “landed in a weak control environment”.

After the outbreak of the novel coronavirus in South Africa, the government announced a R500 billion package for the health response and the relief of social and economic distress caused by the drastic measures that had to be taken to contain the spread of the virus. The fiscal relief package is funded by reprioritising the 2020-21 budgets and securing loans.

On request of the president, Cyril Ramaphosa, Makwetu’s office has undertaken a real-time audit of 16 of the key Covid-19 initiatives introduced by the government and the management of R147.4 billion of the funds made available for these initiatives.

This report represents the first in a series of reports that will deal with the financial management of the government’s Covid-19 initiatives, covering R68.9 billion (47%) of the R147.4 billion spending. The audit work per this report is for all expenditure up to and including 31 July 2020.
PSAM uses budget info & AG audit findings during advocacy engagements with Gov't, Parliament and broader public.
Africa’s Freedom of Information Centre (AFIC)

➢ Monitoring IMF loans for COVID-19 relief across Africa using a Relief Fund Tracker
➢ Engaged Uganda’s Public Procurement & Disposal of Assets Authority (PPDA) to issue guidelines for emergency procurement & greater disclosure requirements.
➢ Developed CHECKLIST for monitoring COVID emergency responses & preventive measures.
➢ Created another checklist for proactive disclosure of info about Covid-19 that includes:

### F. FINANCIAL RESOURCE ALLOCATION AND UTILIZATION

The public needs information on how resources allocated to the COVID 19 response are managed and utilized. Transparency and accountability are essential in the fight against COVID-19 to prevent mismanagement of scarce resources. The following information should thus, be proactively disclosed:

1. Information on needed and available resources;
2. Information on the budget to enable the management of the pandemic;
3. Information on grants, donations, and loans to the government and how they shall be managed;
4. Information on purchase of the requisite equipments from local, regional and international markets;
5. Transparency in the receipt, allocation, disbursement, and utilization of these resources;
6. Information on requirements for the funds to become available;
7. Information on the budget line items that they are supporting;
8. Information regarding COVID-19 related emergency procurements;
Zimbabwe Coalition on Debt and Development (ZIMCodd)

➢ Coordinates an initiative to track COVID resources pledged, received and used by Govt of Zimbabwe.

➢ Tool tracks cash and in-kind resources mobilised domestically and internationally. ZIMCodd’s Tracker provides info about resources directly or indirectly received by Govt.
ZIMCODD publish weekly updates:

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<tr>
<th>Issue No. 20</th>
<th>14.08.2020</th>
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**COVID-19 RESOURCE TRACKER**

**OVERVIEW**
Zimbabwe has been trying to mobilise resources to respond in the best way possible to the devastating social and economic effects of coronavirus. The Zimbabwe COVID-19 resource tracker is a civil society initiative by ZIMCODD to keep track of all resources pledged, received and utilised by the government of Zimbabwe in the COVID-19 response. ZIMCODD notes with concern that accountability for these resources is equally as important as the resources themselves. This tracker has been developed to strengthen transparency and accountability by the government on COVID-19 resources while empowering citizens with information to hold the government to account on allocation and utilisation of COVID-19 resources. The tracker is updated on a weekly basis to show pledges honoured, resources received and resources expensed.

**PROJECTED NEED**

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<tr>
<th>Resource</th>
<th>Projected Need</th>
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<tr>
<td>ECONET</td>
<td>US$89,230.00</td>
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<tr>
<td>AFRICA DEVELOPMENT BANK</td>
<td>US$13,790,000.00</td>
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<tr>
<td>GAVI</td>
<td>US$1,016,560.00</td>
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<tr>
<td>STANDARD CHARTERED GROUP</td>
<td>US$444,000.00</td>
</tr>
<tr>
<td>CBZ &amp; SOLIDARITY TRUST ZIM</td>
<td>US$130,000.00</td>
</tr>
<tr>
<td>GO FUND ME</td>
<td>US$40,000.00</td>
</tr>
<tr>
<td>OTHER INDIVIDUALS</td>
<td>US$164,206.00</td>
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**CITIZEN INITIATIVES**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$40,000.00</td>
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**MAJOR CONCERNS**

- The underfunding of the health sector characterised by limited COVID-19 testing capacity, shortage of PPEs and vaccination centres, the ongoing strike by demotivated health professionals, frontline workers and the majority of the citizens remain exposed to the risk of contracting the novel virus.
- Citizens are also deeply concerned about the increase in local COVID-19 infections for both frontline workers and citizens in general as they fend for their families and go out in search of clean and safe water as the socio-economic situation continues to deteriorate.
- The lack of integrity, transparency and accountability in COVID-19 resource allocation and expenditure at both central and local government level is very worrying as it is intrinsically linked to systemic corruption which seems to thrive in disaster contexts.

**RECOMMENDATIONS TO THE GOVERNMENT**

- Prioritise and disburse COVID-19 earmarked resources to re-activate and reform the health service delivery system to address the capacity, equipment and infrastructure gaps in the health sector.
- Decisively deal with corruption, go beyond the rhetoric and enact the various commitment pledges the Executive has made towards a zero tolerance to corruption environment.
- Regularly publish online and in print media the COVID-19 funds received from all sources including a clear breakdown of allocations and disbursements.